against a future needless accumulation with its fruitful train of evils. If a portion of the surplus revenue can be used to enlarge our foreign markets, and thereby advance our commercial and productive interasts, it is the part of wisdom to so apply it. The strengthening of our coast defenses, and the building up of our navy, subjects of national concern, offer further opportunity for wise ex-penditures that would return the money directly to the people. But after making provision for such expenditures as may be proper and reason-able for these purposes, a large annual surplus will still remain under the operation of existing laws. Reduction of the interest-bearing debt of the government, by the purchase of bonds, is the expedient resorted to for returning a part of this surplus to the channels of trade, and is the only means now open to the Secretary of the Treasury for the use of this money. To require from him this measure of responsibility and discretion is

A possible successful appeal to this discretion tempts individuals to rash business undertakings, in the belief that the money in the treasury will be used to avert threatened disaster. In the absence of such discretion in the Secretary, the possible use of this money would cease to enter into the calculations of the business world. It is manifestly wrong to take money from the people for the cancellation of bonds, to the sav-ing of only about 2 per cent. of interest, when it is worth to them, perhaps, three times as much in their business. It is rather through a reduction of customs receipts and internal taxes, that an unnecessary accumulation of money in the treasury should be avoided.

There was received during the last fiscal year, from all sources of internal revenue, the sum of \$130,894,434.20. This, it is estimated, would be increased, under existing laws, to \$135,000,000

for the current fiscal year. Whatever may be said of the moral or physical effects and influence of tobacco, it has come to be regarded as a necessity by the poor as well as the rich. It is now the only product of agricult-ure that is directly taxed by the government. The repeal of this tax would reduce the surplus about \$32,000,000. In case the tax should be removed both from tobacco and alcohol used in the arts, the reduction thus effected would be about \$37,500,000, leaving a balance from in-

ternal revenue of about \$97,500,000.

Reduction in receipts from customs presents the only other advisable means for diminishing the revenue. This can be accomplished:
First-By reduction in rates of duty upon those articles which, by reason of inconsiderate legislation, or changes which have occurred in the development of our industries, are found to be

Second-By increase in rates upon articles which have not been successfully produced here, because not adequately protected; the obvious effect of which increase would be to stimulate domestic production and diminish importations and revenue. It is plain that such articles should either be fairly protected or placed upon

Third-By transferring to the free list articles which, from climatic or other causes, are not and can not be successfully produced here; also articles which, under existing conditions, we can not economically produce in sufficient quantities to meet the needs of our people, or to serve the purpose of competition with foreign productions. and articles the production of which is of incon-

The cases are exceptional under our tariff in which a moderate or reasonable reduction of rates would result in a decrease of the revenue. As a general rule, a reduction in the rates of duty would increase importations in greater proportion than the rates are reduced, and so increase rather than diminish receipts. This would be the result of any plan of horizontal reduction yet proposed; thus, a horizontal reduc-tion of 10 or 20 per cent. in rates might result in 20 or 50 per cent, or even greater in-crease in the volume of imports. The tendency of this would be to largely increase the surplus, and, to the extent of the increased importations, to deprive American workmen of the em-ployment which belongs to them, and corre-spondingly to reduce the price of labor. The disastrous effects of such a policy upon the country would be threefold.

First-It would diminish the demand for American labor and capital by the amount of labor and capital expended in foreign countries upon the production of such increased importations. Second-It would withdraw from active circulation here the money required to pay the duties on these increased importations, and thus add to

the evils of our present surplus.

Third—It would largely increase the adverse balance of trade with foreign countries, and contract our circulation by the amount of money necessarily exported to meet our increased in-debtedness abroad.

A tariff for revenue only contemplates such an adjustment of duty as will yield the largest amount of revenue at the lowest rates. It means the largest possible quantity of importations consistent with the amount of customs revenue required to defray the expenses of the govern-

If, under a protective tariff, \$300,000,000 of portations would pay an annual revenue of \$100,000,000, to produce the same amount at half the rates, under a tariff for revenue only, would require \$600,000,000 of importations.

The result of this policy, in the case supposed, would be to take from American producers their home market for \$300,000,000 of products and

home market for \$300,000,000 of products and transfer it to their foreign competitors. While it would thus deprive our workmen of employment, it would also deplete the country of gold to pay for foreign labor and material, which should be supplied at home.

A tariff based upon the difference in the cost of labor and materials, in this and foreign countries, will fail of its purpose in times of overproduction and depression in competing countries. Foreign manufacturers are compelled to maintain their extensive establishments in order to manufacture at the minimum cost, and as this manufacture at the minimum cost, and as this is the only country that will buy more than is needed for present demand, it becomes, at such times, the dumping-ground for all manufacturing Europe. For a long time past a considerable proportion, at least of articles of certain lines of importations, has been of this class. They have been sold here below, in fact without regard to, the cost of production, the manufacturers looking to their own and foreign markets, which they

control, for their profit.

All these conditions and practices of trade should be carefully considered in framing a tariff, either for the purposes of protection or revenue.

REVISION OF THE TARIFF. Whatever differences of opinion there may be with regard to the best method of disposing of the surplus revenue, and preventing the accumulation of money in the treasury beyond the proper needs of the government, and however diverse may be opinions as to the abstract question of taxation for revenue purposes, customs and internal, there is general agreement that a revision of the tariff and customs laws is urgent-

I believe it to be the dominant sentiment of the country that, in the adjustment of duties on imports, protection to home industry should be a deration. While there is a wid divergence of judgment on this proposition, it cannot well be denied that it is the settled policy of this government that such duties shall be so tevied as to result in the protection of labor, em-ployed in domestic industries, from destructive

oreign competition.
One of the fundamental objects in the levying duties on imports, declared in the preamble of he first tariff act passed by Congress in 1789, was the encouragement and protection of manu-factures. The doctrine thus proclaimed has proadened with our advancing civilization and growth, and its wisdom has been demonstrated by the marvelous development of those industries protected by the high duties demanded by the necessities of the government incident to

It should, however, be remembered that the prime object in the imposition of these high duties was the raising of revenue, and rates were djusted to that end rather than to the protection and development of domestic industries. It came about, therefore, that the measure of protection was capricious and unequal, and some industries were greatly prospered, while others, equally favored by natural resources and condi-tions, either languished or failed of development. The total value of our imports and exports of merchandise and specie, during the last fiscal year, was \$1,613,137,633, an increase over the

preceding year of \$87,473,843, and was greater than for any year since 1881. The total value of our exports in 1889 was \$742,401,375; value of imports, \$745,131,652. The exports of gold, exclusive of ores, during the last fiscal year, were \$59,952,285, the largest since 1875; the imports were \$10,284,858. This excess of exports ver imports of gold occurred mainly in May and June last, amounting during those months to \$30,000,000. This excess was largely due to the increase of foreign travel, on the part of our people, and the consequent increased demand for foreign exchange.

The total value of exports of domestic mer-chandise was \$730,282,609 for the fiscal year 1889, an increase of \$46,420,505 over the preceding year, and was greater than that of any year except 1880, 1881, 1882 and 1883.

MERCHANT MARINE. Of our merchant marine the Secretary

It is but a few years since we stood first among the nations in ship-building, and were excelled only by Great Britain in the amount of our ocean tonnage. Now, so far as foreign trade is concerned, our ship-yards are comparatively silent, and our flag has almost disappeared from the high seas. Once 75 per cent. of our tonnage was carried in our own ships; now 87 per cent. Is carried in foreign bottoms. Once our ocean commerce enriched our own countrymen; now our immense tonnage of exports and imports gives employment mainly to alien labor, and alien capital levies upon our people an annual tribute estimated at \$150,000,000 for freights and fares. Nor is this tribute the only, or even the worst, feature of the case, for our farmers and mechanics are practically excluded from the markets of the world, except as they may be reached by the circuitous routes, prescribed for their own advantage and convenience, by our great competitors in these markets. An overwhelming public sentiment demands that this humiliation and loss shall cease. If our industrial interests are to prosper, if our commerce is to be sus-tained, extended and increased, we must cease to be dependent upon any other nation or people

for access to foreign markets. Doubtless there are serious obstacles in the way, and they are greater now than they were a few years ago, on account of the immense capital invested by foreign steamship companies, with which we shall have to compete. These obstacles will constantly increase, for every year adds largely to the capital thus invested. Whatever is to be done must be done promptly. We have tried the do-nothing policy long enough. Its esults are before us, and they are not satifactory. Shall we accept as inevitable our present countries of Europe, virtually ostracising silver, aumiliating and unprofitable position, or shall it is also true that the fall has been hastened by we use means at command to regain our lost power and prestige on the ocean! Shall we give

that protection and encouragement to our ship

ping interests that other nations give to theirs, and which we freely give to all our other great interests! Or shall we, by continued neglect, suffer them to be utterly destroyed! From 1830 to 1885 Great Britain paid out of her treasury to steamship companies for mail contracts and subsidies over \$250,000,000, and since 1885 she has paid annually an average of \$3,750,000. The Italian government pays an annual subsidy of \$1,570,000. France pays a graduated bounty for construction of vessels from \$2 to \$12 per ton, and also a bounty per mile run. The sums asked for in the French budgets of 1888 and 1889 under these heads amounted to about \$1,650,000; the annual out-lay from 1881 to 1886 is stated at about \$3,500,-000. Germany contributes largely to the support of her steamships, paying, as has been stated, nearly \$1,000,000 a year to a single line, which has supplanted an unsubsidized American line, formerly running between New York and Bremen. Spain pays a bounty of \$6 on the tennage built in that country, in accordance with the established regulations, and provides for a rebate of duties on articles imported for the construction of vessels. Her annual compensation for ocean mails is said to be over \$1,000,000. The United States alone, of the great commercial nations, while encouraging railroads by liberal grants and subsidies, and protecting her coastwise and internal commerce, and all her home industries, has utterly neglected and abandoned her great foreign maritime interests, even declining to pay fair rates for services ren-dered by vessels of the United States, although Congress had appropriated money for the pur-

Firmly convinced that American steamship builders and owners cannot, unaided, compete with the governments of Europe; that without proper aid and encouragement from the United States we shall not only fail to regain our lost foreign carrying trade, but even to retain much longer the small remaint that remains, and that the restoration of our merchant marine is essential to the extension of our foreign, trade, I do not hesitate to recommend that liberal and judicious aid and encouragement be given for the construction of steam merchant vessels, suitable for use as cruisers and transports in time of war; that fair and liberal rates be paid to American steamers for transportation of mails to foreign countries; and that special aid, either in the form of mail pay, or for mileage run, be made for the establishment of direct connection by Amer-ican steamer lines with Mexico, Central and South America, and with China and Japan,

THE SILVER QUESTION. The continued coinage of the silver dollar, at a constantly increasing mouthly quota, is a disturbing element in the otherwise excellent financial condtion of the country, and a positive hindrance to any international agreement look-ing to the free coinage of both metals at a fixed

Mandatory purchases by the government of stated quantities of silver, and mandatory coinage of the same into full legal-tender dollars, are an unprecedented anomaly, and have proved futile, not only in restoring the value of silver, but even in staying the downward price of that

Since the passage of the act of Feb. 28, 1878, to Nov. 1, 1889, there have been purchased 299,-889.416.11 standard ounces of silver, at a co of \$286,930,633.64, from which there have been coined 343,638,001 standard silver dollars. There were in circulation on Nov. 1. of the present year, 60,098,480 silver dollars, less than \$1 per capita, the remainder, 283,539,521, being stored away in government vaults, of which \$277,319,944 were covered by outstanding cer-

The price of silver, on March 1, 1878, was 54 15-16 pence, equal to \$1.20429 per ounce fine. At this price \$2,000,000 would purchase 1,660,729 ounces of fine silver, which would coin 2,147,205 standard silver dollars. At the average price of silver for the fiscal year ended June 30, 1889 (42.499 pence), equivalent to \$0.93163 per ounce fine, \$2,000,000 would purchase 2,146,755 fine ounces, out of which 2,775,628 standard silver dollars could be coined. The lower the price of silver, the greater the

quantity that must be purchased, and the larger the number of silver dollars to be coined, to comply with the act of Feb. 28, 1878. No proper effort has been spared by the Treasury Department to put in circulation the dollars coined under under this law. They have been shipped, upon demand, from the mints and sub-treasuries, free of charge, to the nearest and most distant localities in the United States, only to find their way back into Treasury vaults in payment of government dues and taxes. Surely the stock of these dollars which can perform any useful function as a circulating medi um must soon be reached, if it has not been already, and the further coinage and storage of

them will then become a waste of public money

and a burden upon the Treasury. It is freely admitted that the prediction of many of our wisest financiers, as to when the safe limit of silver comage would be reached, have not been fulfilled, but it is believed that the principles on which their apprehensions were based are justified by the laws of trade and finance, and by the universal experience of mankind. While many favorable causes bave cooperated to postpone the evil effects which are sure to follow the excessive issue of an overvalued coin, the danger none the less exists.

The silver dollar has been maintained at par with gold, the monetary unit, mainly by the provisions of law which make it a full legal tender, and its representative, the sliver certificate, receivable for customs and other dues; but the

vacuum created by the retirement of national bank circulation, and the policy of the government in not forcibly paying out silver, but leav-ing its acceptance largely to the creditor, have materially aided its free circulation. The extraordinary growth of this country in population and wealth, the unprecedented de-velopment in all kinds of business, and the unswerving confidence of the people in the good faith and financial condition of our government, have been powerful influences in enabling us to

maintain a depreciated and constantly depreci ating dollar at par with our gold coins, far be-yond the limit which was believed possible a But the fact must not be overlooked that it is only in domestic trade that this parity has been retained; in foreign trade the silver dollar pos-

esses only a bullion value. From the year 1717 to 1873 the ratio between gold and silver was remarkably constant, being 15.13 to 1 in the former year, and 15.92 to 1 in the latter year. During this long period of 150 years there were slight fluctuations in the ratio. but not enough to cause any serious inconvenience. Even during the period of the immense production of gold, from 1848 to 1868, when \$2,757,000,000 of gold was produced and only

\$813,000,000 of silver, the change in the ratio was only about 1.6 per cent. The legislation of Germany in 1871-73, imme diately following the Franco-German war, adopt ing the single gold standard for that empire, withdrawing rapidly from circulation silver coins which, prior to that time, had formed almost exclusively the circulating medium, and throwing large quantities of silver at short and uncertain intervals upon the market, was the initial factor of the great monetary disturbance which destroyed the legal ratio between gold and

silver that had existed for half a century. France and her monetary allies, Belgium Switzerland, Italy and Greece, alarmed at the immense stock of German silver which was sure to flow into their open mints, immediately restricted, and soon afterward closed their mints to the coinage of full legal-tender silver pieces. This action only hastened the catastrophe.

The other nations of Europe were not slow to follow the example of Germany and France. In 1873-75 Denmark, Norway and Sweden adopted the single gold standard, making silver subsidtary. In 1875 Holland closed her mints to the coinage of silver. In 1876 Russia suspended the coinage of silver, except for use in the Chinese trade. In 1879 Austria-Hungary ceased to coin silver for individuals, except a trade coin known as the Levant thaler.

The result has been, that while prior to 1871 England and Portugal were the only nations of Europe which excluded silver as full legal-tender money; since the monetary disturbance of 1873-78 not a mint of Europe has been open to the coinage of silver for individuals. It has been charged that the act of Feb. 12 873, revising the coinage system of the United

States, by failing to provide for the coinage of the silver dollar, had much to do with the dis turbance in the value of silver. As a matter of fact, the act of 1873 had little or no effect upon the price of silver. The United States was at that time on a paper basis. The entire number of silver dollars coined in this country from the organization of the mint in 1792, to that date, was only 8,045,838, and they had not been in circulation for over twenty-five years. Moreover, immediately upon the passage of that act, the United States entered the market

as a large purchaser of silver for subsidiarylcoinage, to take the place of fractional paper currency, and from 1873 to 1876 purchased for that coinage 31,603,905.87 standard ounces of silver, at a cost of \$37,571,148,04. Starting in 1878 with no stock of silver dollars, this country, standing alone of all important nations, in its efforts to restore the former equilib-

rium between gold and silver, has, in the brief period of eleven years, added to its stock of full legal-tendermoney \$343,638,001 of a depreciated and steadily depreciating metal. What has been the effect upon the price of silver! The value of an ounce of fine silver, which on March 1, 1878, was \$1.20, was on Nov. 1, 1889, 95 cents, a decline in eleven years of over

In 1873, the date at which purchase of silver for subsidiary coinage commenced, the bullion value of the silver dollar, containing 371.25 grains of pure silver, was about 112 cent more than the gold dollar; on March 1, 1878, the date of the commencement of purchases for the silver-dollar coinage, it was 93 cents, while to-day its bullion value is 72 cents in gold. In other words, there has been a fall of over 28 per cent. in the value of silver as compared with gold in the last sixteen years, and of over 20 per cent. since we commenced purchases in 1878. The downward movement of silver has been continuous, and with uniformly accelerated velocity.

While the demand for silver has been cut off

by the closing of the mints of Europe to its comage, and the usual demand upon the part of India reduced by the sale of council bills, the annual product of silver has largely increased. The world's product of silver in 1878 was estimated at \$95,000,000 (coining value), of which \$45,200,000 was the product of the United States. In 1888 the world's product of silver was estimated at \$142,000,000 (coining value), of which the United States contributed \$59,195,-000. These figures show an increase during the last decade in the world's product of silver of about 50 per cent., and an increase in the silver product of the United States of over 30 per cent. In view of these facts, while it is evident that the primary cause of the decime in the price of silver was adverse legislation by the principal an increased supply falling upon a market for which there was a reduced demand. It is unquestionably true that, in this country.

public sentiment and commercial and industrial necessity demand the joint use of both metals as money. It is not proposed to abandon the use of either gold or silver money; the utilization of both metals as a circulating medium and as a basis for paper currency, is believed to be essential to our national prosperity. We cannot discard either if we would without invoking the most serious consequences. But the unprecedented change in the market value of the two metals within the last sixteen years, and the steady depreciation of silver in the face of the large purchases on the part of this government, arouse grave apprehensions and cause great difficulties.

With a stock of 343,638,001 silver dollars, sharing equally with our gold coins the function of full legal-tender money, as well as \$76,600,000 silver coins of limited tender, and an annual product of silver from our mines, approximating \$60,000,000 (coining value), it would not be for the interests of this growing country, nor would it be wise public policy, to discontinue the use of either metal as money. Yet it is equally true that two widely different and constantly varying standards, for the measurement of values, are impossible in any permanent, well-ordered, financial assets.

financial system. While our circulation now embraces gold and silver coin and four kinds of paper money, there is in reality, since 1873, but one standard. Section 3511, Revised Statutes, provides that "the gold coins of the United States shall be a one-dolor. lar piece, which at the standard weight of 25.8 grains shall be the unit of value." Our legal-tender notes have behind them, in the vaults of the Treasury, a reserve of \$100,000,000 realits of the Treasury, a reserve of \$100,000,000 in gold, provided as a guarantee for their redemption. Our bank currency is based upon United States bonds, the principal and interest of which are payable in gold. Our gold certificates are expressly made redeemable in gold coin.

It may be said that our standard silver dollars, and the constitute and the constitute to the constitute.

and the certificates based upon them, constitute an exception. They are an anomaly; the standard is nominally silver, but in reality it is gold. The bullion from which these dollars are coined is purchased at its market price in gold. They are made a legal tender, and are receivable for customs and other dues. The faith and power of the government are, therefore, pledged to make them equal to their face value; and so long as their number is kept within safe and proper limits they will, in this country at least, be main-tained at par with gold. The honor as well as the interests of the country are involved in the preservation of this parity. Equivalence between our gold and silver dollar in foreign trade is impossible at the present price of silver, but equivalence in domestic trade is practicable so long as the coinage of the silver dollar is kept

within proper limits.
Up to this time they have been maintained at par by force of governmental authority; and by the confidence of the people in the good faith and tinancial power of the United States. Gold is the real standard for the measurement of values, and will remain so until supplanted by its great rival, silver; or until some international agreement shall be entered into between governments strong enough to establish and maintain a fair ratio of value between the two metals. Force applied through legislative action may for a time control the laws of trade, but eventually, those laws, stronger than legislators, will

assert their power. There are, doubtless, persons who would banish silver from circulation and rely wholly upon gold, while others would make silver the only standard, and, by adopting the cheaper metal drive the dearer out of circulation, if not out of the country; but an overwhelming preponderance of public sentiment demands that both metals be utilized.

The problem, therefore, presented for our con-sideration, and which demands the action of Congress, is not which metal shall we use, but, "How shall we use both?" The Secretary then takes up the various remedies proposed. He discusses them at length, and offers the following as his con-

I recommend the issue of Treasury notes against deposits of silver bullion at the market price of silver when deposited, payable on de-mand in such quantities of silver builion as will equal in value, at the date of presentation, the number of dellars expressed on the face of the notes at the market price of silver, or in gold, at the option of the government; or in silver dollars, at the option of the holder. Repeal the comput-

sory feature of the present coinage act.

The Secretary desires to call special attention to this proposition, believing that in the application of its principles will be found the safest, surest and most satisfactory solution of the silver problem as it is now presented for the action In explaining the proposed measure, at this time, it is intended to deal only with its general features, but if desired a bill embracing the de-

tails believed to be necessary to its satisfactory

operation will be prepared and submitted for the consideration of Congress. The proposition is briefly this: To open the mints of the United States to the free deposit of silver, the market value of the same (not to exceed \$1 for 412.5 grains of standard silver), at the time of deposit, to be paid in Treasury notes, said notes to be redeemable in the quantity of silver which could be purchased by the number of dollars expressed on the face of the notes at the time presented for payment, or in gold, at the option of the government, and to be receivable for customs. taxes and all public dues; and when so received they may be reissued; and such notes, when held by any national banking association, shall be counted as part of its lawful re-

The Secretary of the Treasury should have discretionary power to suspend, temporarily, the receipt of silver bullion for payment in notes, when necessary to protect the government against combinations formed for the purpose of giving an arbitrary and fictitious price to silver.

If the price of silver should advance between the date of the issue of a note and its payment, the holder of the note would receive a less quantity of silver than he deposited, but the exact quantity which could be bought in the market with the number of gold dollars called for by his note, at the date of payment. If the price should decline he would receive more silver than he deposited, but the quantity which could be purchased with the number of gold dollars called for by his note at the time presented

for payment.

The advantages of retaining the option to redeem in gold are three-fold: First-It would give additional credit to the Second-It would prevent the withdrawal and redeposit of silver for speculative purposes.

Third—It would afford a convenient method of

making change when the weight of silver bars does not correspond with the amount of the So far as the issue of the notes is concerned, the plan is very simple. If a depositor brings a hundred ounces of silver to the mint, and the market price of silver at that date, as determined by the Secretary of the Treasury, is 95 cents an ounce, he would receive in payment Treasury notes calling for \$95.

Various plans for redeeming the proposed notes have been considered, but the plan recommended seems preferable. They might be redeemed wholly in silver bullion of the same weight as that deposited; that is to say, if an owner of silver had deposited a hundred ounces, he might receive back a hundred

The objection to this plan of redemption is that it would subject the notes to all the fluctuations which might occur in the price of silver. and, from lack of steadiness and certainty of value, they might not circulate freely as money. Another plan which has been suggested is to redeem them in lawful money of the United States, dollar for dollar. This is practically a purchase of the bullion at its market price, the government becoming the owner of it on the issue of the notes. This method has some features which commend it, but on the whole it does not seem logical desirable that the notes should be deemed in a currency which is certainly no bet-ter, if as good, as themselves. Moreover, it does not seem expedient to pile up in the vaults of the government a large quantity of silver bullion which cannot be made available for the redemption of the very notes which are based upon it. True, the government might coin the bullion into standard silver dollars and use the resulting coin for the redemption of the notes, which would be quite satisfactory when the silver dol-lar becomes equal in value to the gold dollar, but at present it would not appear to be either just or desirable to issue a note on a deposit of 100 cents' worth of silver and redeem it with a dollar containing only 72 cents' worth of silver. Among the obvious advantages of the measure proposed, the following may be briefly stated: First-It would establish and maintain through the operations of trade a convenient and economical use of all the money-metal in the coun-

Second-It would give us a paper currency not subject to undue or arbitrary inflation or contraction, nor to fluctuating values, but based dollar for dollar on bullion at its market price, and having behind it the pledge of the government to maintain its value at par, it would be as good as gold, and would remain in circulation, as there could be no motive for demanding redemption for the purposes of ordinary business

Third-By the utilization of silver in this way a market would be provided for the surplus product. This would tend to the rapid enhancement of its value, until a point be reached where we can with safety open our mints to the free coinage of silver.

Fourth-The volume of absolutely sound and perfectly convenient currency thus introduced into the channels of trade would also relieve gold of a part of the work which it would other-wise be required to perform. Both of the causes last mentioned, it is confidently believed, would tend to reduce the difference in value between the two metals and to restore the equilibrium so much desired. It would furnish a perfectly sound currency to take the place of retired national bank notes, and thus prevent the contrac-

tion feared from that source. Fifth-It would meet the wants of those who desire a larger volume of circulation, by the introduction of a currency which, being at all times the equivalent of gold, would freely circulate with it, and thus avoid the danger of contraction, which lurks in the policy of increased or free coinage of silver, by reason of the hoarding or exportation of gold. Sixth-It should not encounter the oppositon of

those who deprecate inflation, for though the volume of currency may be somewhat increased, the notes would be limited to the surplus prodnet of silver, and each dollar thus issued would be absolutely sound, and would represent an amount of bullion worth a dollar in gold. Seventh-It would be far more advantageous to silver producers than increased coinage under existing law, for in both cases bullion would be paid for at its market value, and under the plan proposed a much larger amount could be used With safety; and while increased coinage would arouse the fears and encounter the opposition of

believed that this measure would meet with their Eighth—There would be no possibility of loss to the holders of these notes, because in addition to their full face value in bullion they would have behind them the piedged faith of the gov-ernment to redeem them in gold, or its equiva-

ent in silver bullion. Ninth—The adoption of this policy, and the repeal of the compulsory coinage act, would quiet public apprehension in regard to the overissue of standard silver dollars, and the present stock could therefore be safely maintained at par.

Tenth—This plan could be tried with perfect safety, and it is believed with advantage to all our interests. Should it prove a successful and satisfactory plan for utilizing silver as money, other nations might find it to their interest to adopt it, without waiting for an international adopt it. without waiting for an international agreement, and should concerted action be deemed desirable, it could then be more readily

By this method it is believed that the way would be paved for the opening of the mints of the world to the free coinage of silver and the restoration of the former equilibrium of the money metals.

I may here conveniently note and answer in brief some of the objections which may be made to this proposition:

First-Possibility of loss to the government by
a further depreciation in the value of silver

This danger is exceedingly remote. On the other hand there is every reason to believe that a profit to the government would be realized by the adoption of this measure. First, from the almost certain rise in the value of the silver on deposit, which would inure to its advantage; and second, from the destruction and permanent loss of notes, which would never be presented for re-demption, the bullion represented by them then becoming the property of the government.

But even if a loss arise by reason of a further decline in the value of silver, this would not be a valid objection to the measure proposed, for the reason that the government, having assumed control of the currency of the country, is bound, at whatever cost, to supply a circulating medium which is absolutely sound. This duty has been fully recognized in the case of our legal-tender notes, by the sale of \$100,000,000 of 4 per cent. bonds in order to provide that amount of gold, which now lies in the treasury, as a reserve for their redemption. We have already paid out \$40,000,000 interest on these bonds, as a portion of the cost of maintaining the outstanding \$346,000,000 of United States notes, and we are still paying \$4,000,000 a year for that purpose. still paying \$4,000,000 a year for that purpose.
Second—It might be suggested that to issue
Treasury notes on unlimited deposits of bullion
would place the government at the mercy of
combinations organized to arbitrarily put up the
price of silver for the purpose of unloading on
the Treasury at a fictitious value. This danger may be averted by giving the Sec-

retary of the Treasury discretion to suspend temporarily the receipt of silver and issue of notes in the event of such a combination, and he might be authorized, under proper restrictions, to sell silver, if necessary, retaining the gold proceeds for the redemption of the notes.

The existence of such authority, even if never exercised, would prevent the formation of any effectual embination of this kind, for the reason that a combination to control the silver product of the world would be very expensive, requiring immense capital, and could not be successfully andertaken in the face of the power lodged with

the Secretary to defeat it.
This method of guarding against combinations and corners would be far better than the propo-sition to fix the price at which notes should be issued, at the average price of silver during any considerable antecedent period of time, as the latter would tend to prevent the normal rise in value, which is desired and anticipated from the adoption of this method.

Third-If it be objected to on the ground that it would degrade silver from its postion as money, and reduce it to the level of a mere commodity, the reply is that silver bullion is now a

This policy would at once give to silver, through its paper representative, the rank and dignity of money in the most convenient and least expensive way in which it can possibly be utilized. The issue of notes based on bullion, as proposed, would have the effect of crowning it with the dignity of money as effectually as could the dies and stamps of a United States mint. Instead of degrading silver, this plan would tend to restore it to its tormer ratio with gold.

Fourth-It might be urged against this plan that it would open a tempting field for specula-tion by offering to speculators an opportunity, when silver had temporarily fallen but was likely to advance, to withdraw from the treasury and hold for a rise the silver bullion covered by notes; or, when there might be a possibility of a depression, to deposit it, wait for a fall in price, and then have their notes redeemed in an increased quantity of silver.

The answer to this objection is that the danger is by no means great, but should it prove so, the judicions exercise by the Secretary of the Treasury of his option to redeem in gold (either coin, bullion or certificates) would effectually prevent the successful culmination of such speculative

Fifth-Unless the amount of silver bullion be limited, may not this policy result in an undue and dangerous increase in the volume of our cur-rency! May we not be flooded with the world's

Fears of too large a volume of absolutely sound currency are not entertained to any considerable currency are not entertained to any considerable extent by our people. The dangers from such an expansion are not apparent, nor are they serious. It is only inflation from overissue of doubtful or depreciated dollars that affords substantial grounds for apprehension.

As to the objection that we may be flooded with the world's silver, the proposed law itself, and the statistics in regard to the present product and the uses of silver, furnish a complete reply. Treasury notes would only be issued at the average price of silver in the leading financial centers of Europe and the United States, so that there could be no possible motive for shipping it from abroad. Why should any one pay the cost of transporting silver from Europe to exchange for our Treasury notes at the same price it would

for our Treasury notes at the same price it would command in gold at home! Probably we should receive some of the surplus product of Maxico; but, as will be presently shown, the amount would not be dangerously large. It would not come from South America, because it would command the same price in gold in London that it would in notes in New York, and nearly all the product of South America goes, in the shape of miscellaneous ores and base bars, to Europe for economical retining.

There is, in fact, no known accumulation of silver bullion anywhere in the world. Germany long since disposed of her stock of melted silver coins, partly by sale, partly by recoinage into her own new subsidiary coins, and partly by use in coining for Egypt. Only recently it became necessary to purchase silver for the Egyptian coinage executed at the mint at Berlin. It is plain, then, that there is no danger that the silver product of past years will be poured into our mints, unless new steps be taken for demonetizample safeguards can be provided. Nor need there be any serious apprehension that any considerable part of the stock of silver coin of Europe would be shipped to the United States for

deposit for Treasury notes.
In view of these facts, there would seem to be no sufficient reason for limiting the amount of silver bullion, which may be deposited for Treasury notes, and there are strong reasons against such limitation. If deposits were limited to \$4,-000,000 worth per month, the amount of silver received might be somewhat smaller than under the proposed measure, which fixes no limit, bu the difference in the quantity deposited would hardly compensate, in my judgment, for the ef-fect which the restriction would have on the silver market. Such a restriction would have a de cided tendency to prevent the normal rise in price, because it might leave a surplus, even of our own product, counting that which comes from Mexico to this county, and the mere fact o there being a limit to the amount that the United States would receive and issue notes upon, would be a constant menace to the price of silver. Moreover, the limitation of \$4,000,000 worth a month would necessitate a distribution of the amount which would be received at the different mints of the United States each month so that when the full amount of the quota fixed for any one institution was full, no further de posits could be received that month, and the result might be to throw a large stock on the mar-

ket in such localities, which, of itself, would have a tendency to depress the price.

If, however, any limitation be thought neces sary, it would seem preferable to restrict de posits to the product of our own mines, or the mines of this continent, or to deposits of new bullion, as distinguished from foreign coin and foreign melted coin, rather than to limit the amount to be received to a specific quantity or

He is a dull observer of the condition and trend of public sentiment in this country who does not realize that the continued use of silver as money in some form, is certain. No measure can be presented to which it may not be possible to find objections. This one is suggested with a view to promoting the joint use of silver and gold as money, and with the full confidence that it will secure all the advantages hoped for, from any of the plans proposed, without incurring their real or apprehended dangers.

The Secretary calls attention to the in-crease of deposits of public money in national banks, which reached \$61,921,294 in April, 1888, but was reduced by him to \$47,-495,479 in October, 1889. He objects to the practice as involving temptation to favoritism, making the Treasury more or less dependent upon the banks, giving the Secretary the dangerous power over the volume of the currency, unfair to the people, by letting banks have money for nothing. As fast as it can be done, the Secretary will rid the Treasury of the grave inherited embarrassment, but it must be done without bringing stringency in the money market. Of 422,352 immigrants arriving during the last fiscal year, 787 were returned as

paupers, etc. In regard to the leases of the right to take seals in Alaska, the Secretary notes the great falling off in the number, and nrges that measures be taken for their preservation.

The civil-service law meets with the hearty approval of the Secretary. Having been at the head of the department before and after the law was enacted, he declares that the present system is preferable in all respects. In regard to the present system, he says that it takes away the temptation to remove employes to make room for othcontribute a feverish feeling to clerks and

others. He further says: Under instrumentalities which are now used to arouse the fears and encounter the opposition of secure selections for elerical places, the departace a very large and powerful class of people, it is ment has some assurance of mental capacity,

and also of moral worth, as the character of the candidates is ascertained before examination.

The manifold duties of the department require the closest application on the part of the Secretary and his assistants, and the freedom from importunity now enjoyed for appointments to places that are within the classified service, and the saving of valuable time heretofore devoted to the distribution of minor paironage, are of very great advantage, and enables these officers to devote more thought to the important ques-tions of administration constantly arising. The clerks received from the Civil-service Commission

usually adapt themselves readily to the duties they are called upon to perform, and rank among the most efficient in the department.

This department has for the past twenty years conducted examinations, under its own regulations, for promotions in its service, and employes have been advanced from one grade to the next have been advanced from one grade to the next highest only after having passed a standard ex-amination intended to demonstrate their capa-bility as compared with those who have already reached the higher grades, and to testify their familiarity with, and proficiency in, the special work upon which they have been engaged. This system of promotion has worked satisfactorily, and reaches beyond the acertainment of inand reaches beyond the accrtainment of individual excellence. Clerks have the fact con-stantly before them that to gratify a laudable ambition for advancement they must always be prepared, as the opportunity for promotion may come at any time, to submit to tests which will disclose their aptitude, their diligence, and their knowledge of the class of work they have been performing. It keeps the service in better form, and relieves the appointing power of much per-sistent persuasion from outside sources to elevate clerks who are ill prepared to fill the higher

PROCEEDINGS OF THE SENATE.

Terms of Members from New States Arranged by Lot-Bills Introduced.

WASHINGTON, Dec. 4 .- The credentials of Messrs. Pierce and Casey, as Senators from the State of North Dakota, were presented, read and placed on file, and then the two Senators, escorted by Messrs Cullom and Washburn, advanced to the desk and took

the oath of office. Mr. Hoar, from the committee on privileges and elections, reported back the resolution offered by him on Monday, providing a mode for ascertaining by lot the classes to which the Senators from the three new States-North Dakota, South Dakota and Washington-shall be assigned (as to their respective terms of service).

Mr. Cullom thereupon presented certificates from the two houses of the North Dakota Legislature, designating Mr. Pierce as the Senator for the long term Mr. Hoar remarked that that action had

been taken by the two houses of North Dakota, after the election of the Senators, and he intimated that, under the Constitution, the Legislature had nothing to do with the matter, which was expressly devolved on the Senate. Mr. Gorman remarked that identically

the same case had been presented in regard to the first Senator from Minnesota, when the Legislature designated Mr. Rice as the Senator for the long term, and when the Senate decided that that action could not be regarded by it. Mr. Edmunds-That is the way it was

Mr. Cullom explained that he had thought t proper that the action of the two houses of North Dakota should be placed on the records of the Senate as an expression of their desire in the matter. Mr. Call argued in favor of the right of the Legislature in the matter.

The resolution was agreed to, and then the drawing by lot (as provided by it) was proceeded with. The result of it was that, of the two Senators from the State of Washington, Mr. Squire was assigned to the class of Senators whose term expires March 3, 1891, and Mr. Allen to the class expiring March 3, 1893. Of the South Dakota Senators Mr. Moody's term expires March 3, 1891, and Mr. Pettigrew's March 3, 1895, and of the North Dakota Senators Mr. Pierce's term expires March 3, 1891, and Mr. Casey's

Various executive reports and communications were presented and referred to appropriate committees. Several petitions were also presented and referred, among them the following:

By Mr. Cullom: Of the Short-horn Producers' Association, in favor of subsidies for steamships o South and Central America, and in favor of Chicago as the site for the proposed world's fair By Mr. Cockrell: Of the Kansas City Commer cial Exchange, in favor of St. Louis as the site of

the world's fair, with Chicago as second choice. Also: In favor of 1-cent letter postage. Many bills were introduced and referred, including the following: By Mr. Sherman: To declare unlawful trusts

and combinations in restraint of trade and production. Also: To make and alter regulations as to the times and places for holding elections for Representatives in Congress. By Mr. George: In relation to trusts and other acts in restraint of trade and production. By Mr. Reagan: To define trusts and provide penalties for them. Also: For the free coinage of silver. Also: To repeal the act for the sale of bonds to redeem legal tender notes. [He gave

notice that he would address the Senate tomorrow on the latter bill. By Mr. Dawes: Extending the pension laws. He said that the bill had been prepared by a committee of the G. A. R., and that he introduced

By Mr. Cameron: To encourage the commercial By Mr. Stewart: To provide for the free coinage of both gold and silver, and for the issuance of coin certificates to circulate as money By Mr. Morrill: To refund the direct taxes

collected under the act of 1861. By Mr. Harris: Fixing salaries of the several district judges at \$5,000. Also: For the adjust-ment of accounts of workmen under the eight-By Mr. Blair: For the establishment and temporary support of common schools. Also: Joint esolution proposing amendments to the Consti-

the manufacture, importation and sale of alco-By Mr. Spooner: Two bills as to election of members of Congress. Also: A bill to regulate commerce by telegraph.

By Mr. Manderson: To grant pensions to exsoldiers incapacitated for manual labor, to prenear Algiers, La.
By Mr. Mitchell: Extending the Mexican penvent the summary cancellation of pension certificates, and to provide a hearing in cases relating thereto.

By Mr. Platt: The copyright bill. By Mr. Vance: To repeal the civil-service law. By Mr. Evarts: Several bills to increase the salaries of United States circuit and district indges, and providing annual leave of absence for custom-house officers.

By Mr. Voorhees: For the payment o' arrears f pensions from the date of death or discharge. By Mr. Cullom: The revive the grade of general of the army. Also: To equalize the rates of pensions in certain cases. By Mr. Farwell: To perpetuate the national banking system.

By Mr. Paddock: For postoffice buildings in towns where the postal office receipts exceed \$3,000 a year. Also: In relation to postal clerks (as to civil-service rules). By Mr. Hawley: To revive the grade of lieu-tenant-general of the army. By Mr. Wilson of Iowa: Subjecting imported iquors to the provisions of the laws of the several

By Mr. Davis: Granting pensions to ex-soldiers and sailors incapacitated for manual labor and to dependent relatives.

By Mr. Mitchell: To prohibit objectionable foreign immigration, encourage desirable immigration and defend American labor. Also: For 1-cent letter postage. Also: For the admission of Idaho as a State.

By Mr. Fry: For the appointment of a commission on alcoholic liquor traffic.

By Mr. Ingalls: To enable inhabitants of Oklahoma and No Man's Land to procure titles to town and city lots., Alse: To remove the limitation in the payment of pension arrears By Mr. Stewart: A resolution (which was referred to the committee on rules), for the ap-pointment of an additional reading clerk, such appointment to be made of the person best qualified after a practical test before

By Mr. Vest: A resolution (which was referred to the committee on commerce), calling on the President and Secretary of State for copies of all communications since March 4, 1885, in regard to fees exacted or paid to United States consular officers in Great Britain, and to notarial officers there for the verification of invoices, with copies of instructions issued by the State Department on that subject; directing the Secretary of State to inform the Senate as to the total number of invoices; whether notarial officer- 'u Great Britain are in some cases British

is employed by and receiving compensa-rom the United States as clerks or consular on cers; and whether there is any arrangement by which consuls are benefited by such notarial fees. The Secretary of State is instructed to report on all these points precisely and in detail. On motion of Mr. Hoar, the select com-

mittee on relations with Canada was con-

tinued for the present session. The Senate

then proceeded to executive business, and soon adjourned. Woman Forger Arrested. CHICAGO, Dec. 4.-Mrs. Ella C. White, wanted in Elmira, N. Y., for forgery to the

amount of \$25,000, was arrested here last night, and left this morning for Elmira, in charge of Sheriff Casada, of Chemung county. New York. She had been living in this city under an assumed name for several months, and speculated a great deal in bucket-shops and on the Board of Trade.

PREMATURE gray whiskers should be colored to prevent the appearance of age, and Buckingham's dye is by far the best preparation to do it.



This powder never varies. A marvel of purity, strength and wholesomeness. More economical than the ordinary kinds, and cannot be sold in competition with the multitude of low test, short-weight alum or phosphate powders. Sold only in cans. ROYAL BAKING POWDER CO., 106 Wall street, N. Y.

BILLS BEFORE THE SENATE

Measures of Interest to Indianians Introduced by Voorhees and Turpie.

Over Five Hundred Bills Offered for Consideration Yesterday, Embracing Much Important and Radical Legislation.

Special to the Indianapolis Journal WASHINGTON, Dec. 4,-Senator Voorhees introduced in the Senate to-day a number of bills which he introduced in the last Congress. They embrace measures for the relief for the legal represenatives of Geo. McDongall, deceased; authorizing the Secretary of the Interior to pay the judgment found by the Court of Claims to John Paul Jones, administrator, amounting to \$81,250; increasing the pensions of those who have lost a limb, or limbs, or both eyes; repeal of the arrearage of pension act; for the relief of Willis Bennfield and

Nicholas J. Bigley; for the ascertainment

of the amount due Sylvanus Sanford and

Harry A. Hays; for the payment to Sewell

Coulson and Porter, Harrison & Fishback

for legal services rendered in defending ex-Union officers and ex-soldiers during the late war while in the discharge of their Senator Turpie introduce a bill to pay Aquilla Jones, late postmaster at Indianapolis, \$2,438, stolen from the office Dec. 31, 1888; also, measures for the relief of George B. Boberts, administrator of the estate of William B. Thayer, deceased, partner of Thayer Brothers and others, and for the re-lief of Sarah K. McLeon, widow of the late Lieutenant-colonel Nathaniel N. McLeon.

Important Bills Introduced.

To the Western Associated Press. WASHINGTON, Dec. 4.—Senator George to-day introduced a bill providing that all contracts, arrangements, trusts or combinations made with a view to, or which tend to, prevent full and free competition in the transportation, importation, manufacture or sale of any article of merchandise shall be unlawful, and in all suits brought in court arising out of contracts, indgment shall be given against the trust, The President is given power in his discre-tion to suspend the customs duties when-ever he is satisfied that any article has been enhanced in price by reason of the

trusts. The Senate devoted most of to-day's session to the introduction of bills, the total number presented being 505, against 598 on the first bill day two years ago. Most of the measures proposed were bills that failed to become laws during the last Congress. Among them were the following:

By Senator Manderson: A bill to ascertain the mount due the Pottawatomie Indians of Mich igan and Indiana. Also: A bill providing for the survey and sale of islands in the Platte river, By Mr. Evarts: To pay the heirs of John Roach 61,752 for work and material on the gunboat

By Mr. Paddock: To exempt railway mail employes and postoffice inspectors from the opera-tions of the civil-service law; to provide for the disposal of the Fort Sedgwick military reserva-tion in Colorado and Nebraska to actual settlers; to permit the organization of national banks with a capital of less than \$50,000 in towns of less than 6,000 population.

By Mr. Moody: Granting South Dakota 5 percent, of the net proceeds of the sales of public

By Mr. Pierce: To reimburse North Dakota for the constitutional convention expenses in excess. ount origina For the inspection of live stock about to be slaughtered for consumption in some State or county other than that in which slaughtered, and prohibiting the importation of adulterated By Mr. Gibson: Appropriating \$1,000,000 for the establishment of a dry dock and navy-yard

any war since 1845. By Mr. Turple: Granting a pension of 1 cent month for each day's service in the army during the late war. By Mr. Dolph: To repeal the pre-emption and timber-culture laws. Also: Appropriating \$1,000,000 to enable the Secretary of War to purchase the necessary sites for fortifications at points where such sites have not been purchased

ion act to all who served thirty days or more in

By Mr. Wilson of Iowa: Amending the interstate-commerce act so as to provide that any article of commerce, the manufacture and salo of which are prohibited in any State shall not be transported and delivered within the State by any transportation company. By Mr. Reagan: Giving all holders of silver bullion, of the value of \$50 or more, the privilege of having the bullion coined into silver dollars

on the same terms as gold. Congressman Butterworth is preparing a bill which he will shortly introduce in the House, providing a general anti-adulteration law. It will require that all goods which are made in imitation of well-known articles shall be branded so that the purchaser may know precisely what he is buy-

Senator Manderson introduced a bill, in accordance with the recommendations of the Secretary of War, to increase the effi-ciency of the infantry of the army. Each regiment shall be composed of twelve companies, with one colonel, one lieutenantcolonel, three majors, one adjutant and one quartermaster. One-half of the second lieutenants in excess of the graduates of the Military Academy are to be appointed from the enlisted men of the army. The bill also provides that the number of enlisted men of the army shall be increased to

subsidy steamship bill introduced by him in the last Congress. Senator Farwell introduced a bill to perbetuate the national banking system. The bill provides that every national banking association which has been organized or hereafter may be organized, may, in lieu of the registered bonds of the United States, required by the statutes, transfer to the Treasurer of the United States the bonds of any of the States of the United States, or the bonds of any of the cities exceeding 20,000 inhabitants, upon which interest has heretofore been paid, and which shall bear interest at not less than 4 per cent. per annum. The Secretary of the Treasury is authorized, upon the deposit of these bonds, to print circulating notes, which shall expressly state upon their face that they are secured by collat-eral bonds deposited with the United States

Senator Cameron to-day introduced the

Treasurer. The expenses of engraving and printing are to be borne by the banks.

Senator Cockrell to-day presented a memorial of citizens of Ralls and Pike counties, Missouri, remonstrating against the passage of any bill for the observance of Sunday, or any other religious institution or right, and also against any amendment to the Constitution, providing for religious instruction in the public schools. It prays that the government be kept strictly secular, and that church and state be entirely

separate.